United States Air Force

Integrity - Service - Excellence

Why Our Approach To Acquisition Reporting Is All Wrong

Blaise J. Durante
Deputy Assistant SecAF
(Acquisition Integration)

31 Oct 07

How to Interpret Industry's Comments

10. **GIVE US YOUR INTERPRETATION**

    I can't wait to hear this bull!

9. **LOW MAINTENANCE**

    Impossible to fix if broken

8. **THE ENTIRE CONCEPT WILL HAVE TO BE ABANDONED**

    The only person who understood the thing quit

7. **TEST RESULTS WERE EXTREMELY GRATIFYING**

    We are so surprised that the stupid thing works

6. **MAJOR TECHNOLOGICAL BREAKTHROUGH**

    It works OK, but looks very high-tech

How to Interpret Industry's Comments

5. **ALL NEW**

   Parts not interchangeable with the previous design

4. **RUGGED**

   Too damn heavy to lift?

3. **CUSTOMER SATISFACTION IS DELIVERED ASSURED**

   We're so far behind the customer will be happy with whatever we deliver

2. **WE WILL LOOK INTO IT**

   Forget it! We have enough problems for now

1. **CLOSE PROJECT COORDINATION**

   We know who to blame

The Familiar Problem

- Everything is running smoothly
- Program reports:
  - No major risks
  - No major issues
  - Green ratings on cost / schedule / performance
- Then … BAM … a serious problem
  - No notice … No warning
  - Despite large investments in reporting systems
- What happened ??

Current Reporting

- DAES reporting is useful for notification
  - But it doesn't predict
- We ask the PM to look ahead for potential issues
  - But it's dependent on PM intuition
- It's only as forward looking as the PM
  - It's not inherently transparent
- SARs and DAES are rear-view looks at program performance

Why Is This ?

- We ask for the wrong data
  - Because we focus on symptoms (like cost overruns and schedule delays)
- We have a poor understanding of causal factors
- We often value “more data”
  - But data for data sake is useless
- We often value bigger data systems
  - But garbage in – garbage out

We Do Know A Few Things

- We know a lot of program problems are caused by the introduction of immature technology
  - A number of studies show this is a problem
- Yet in our routine reporting we don't examine
  - Maturation of our technology
  - Whether those are good choices
  - Complexity of integration
- Instead we focus on
  - The schedule slip caused by test failures
  - How to recover

We Do Know A Few Things

- We know that once a program's schedule variance starts to go south, cost will soon follow
  - A consistent pattern in EVM
  - About a 3-6 month lag
- Yet optimism reigns supreme
  - "We've got a pretty good handle on it, and it shouldn't slip any further"
- Not a lack of integrity, but a naïve optimism

We Need To Remember

- **We should prefer leading over trailing indicators**
- **Poor government and contractor baselines make reporting ineffective**
- **Rebaselining doesn’t solve problems**

The Key Take-Away

- **We need a process focus**
  - **We accomplish our work by executing process**
  - **Oversight needs to support the acquisition process**
  - **DAMIR needs to support the process**

- **The process focus is key to:**
  - **Providing the right enabling processes**
  - **Providing the right enabling tools**
  - **Knowing the right metrics**

Reasons for Hope

- **The Army's P(s) and the Air Force's PoPS are new attempts to report predictively**
  - **Currently dependent on subjective assessments**
  - **But are serious attempts to begin to anticipate**
  - **Long term: good, objective leading indicators**

- **There are studies that examine relationships of program aspects and outcomes**
  - **Not widely read or publicized**
  - **Could lead to new measures based on established research**

Summary

- We invest a lot of time and money in reporting
  - But we don't get the bang for the buck
- We need to take a process view of acquisition
  - … and how acquisition reporting supports it
- We need research on cause & effect within programs
- We need to move to more predictive measures of program health
- We need metrics that mean something and drive behavior
- We can do this – we need to do this

Consider what data we need to make decisions before developing reporting systems!!!

Top 10 Physician Notes

Actual notes from patient records!

10. By the time he was admitted, his rapid heart had stopped, and he was feeling better.
9. Patient has chest pain if she lies on her left side for over a year.
8. On the second day the knee was better and on the third day it had completely disappeared.
7. The patient has been depressed ever since she began seeing me in 1983.
6. The patient is tearful and crying constantly. She also appears to be depressed.
5. Discharge status: Alive but without permission.
4. Healthy-appearing decrepit sixty-nine-year-old male, mentally alert but forgetful.
3. The patient refused an autopsy.
2. She was numb from her toes down.
1. The patient has no past history of suicides.